



ADDRESS:	685 Chapman St.	EARNEST MONEY:	\$50,000	SALES PRICE:	Unstated Minimum
	Mercedes, Texas 78570			TERMS:	All Cash - 30 days to close
COUNTY:	Hidalgo	LETTER OF CREDIT:	\$232,974	SALE TYPE:	Foreclosure

Total Units	Residential	Commercial	Foundation:	Concrete
48	Revenue 48	0	Roof:	Composition
	Non-Revenue 0		Exterior:	Brick
			Floors/Finish:	Carpet/Vinyl

Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other: Duplex
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Number of Buildings	Stories	Year Built	Rehab Year	Site Acreage	Approximate Net Rentable Area
24	1	1979			39.306

Parking

Heating:		Air Conditioning		Public Water		Street	
Fuel	Gas		Not Provided		x	Curb	Asphalt
System	Central	Windows	Screen		x	Sidewalk	Concrete
Hot Water:					x	Parking Lot	Asphalt
Fuel	Gas			Sanitary Sewer		Parking	
System	Individual			Storm Sewer		Spaces	94
				Septic Tank			

Tenant Expense

Appliances		Security Features		Other Expenses		Power Expenses	
	Air Conditioning		Garage	Cold Water		Electricity	
	Dishwasher		Covered Parking			Gas	
	Microwave		Laundry Facility			Heat	
	Garbage Disposal	x	Cable/Sat Hookup			Hot Water	
x	Refrigerator		Playground			Window Unit AC	
x	Range/Oven		Pool				
x	Drapes/Blinds	x	Community Space				

[illegible]

Number of Units	Type (# of Bdrs)	Approx Square Feet	Current Rent	Estimated utility allowance (UA)	After Sale Rent (excluding UA)		Total Estimated/ Possible Annual Income	
8	1BR	625	\$467	29	\$467	Rent	\$323,928	
18	2BR	748	526	35	526	Commercial	0	
18	3BR	932	613	45	613	Parking	0	
4	4BR	1267	689	51	689	TOTAL	\$323,928	
						Estimated Annual Expenses		
						Administrative	\$38,912	
						Utilities	17,294	
						Operating	17,687	
						Taxes/Insurance	53,849	
						Reserve/Replace	14,400	
Estimated/Possible Monthly Total					\$26,994		TOTAL	\$142,142

The HAP Contract covers 48 units. As long as the HAP Contract is in effect, the HAP will control rent and eligibility requirements. If the HAP terminates, expires, or is not renewed within the 20-year affordability term, then the Affordability Rider will control future operations of the property. The Affordability Rider includes 48 units. The HAP Contract will commence as required repairs are completed and inspections approved.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

20 Years affordable housing.

PROJECT BASED SECTION 8

Assistance will be available for eligible residents in 48 units at the property. See HAP Contract and Section 8 Rider to the Sales Contract for additional information.

TERMS OF SALE

The purchaser must complete the repairs to HUD's satisfaction within 12 months after closing. The repairs are estimated to cost \$931,894. A Letter of Credit in the amount of \$232,974 will be required at closing to ensure all required repairs are completed within the required timeframe.

Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$19.06 per unit per day for each 30 day period.

The property will be sold with the following riders: Affordability, Reserve for Replacement, Required Rehabilitation and Relocation, Lead-based Paint, Asbestos, Project-Based Section 8 Assistance, Nondiscrimination Against Voucher/Certificate Holders. The property is required to be repaired to meet the Post Closing Repair Requirements, Uniform Physical Conditions, Standards, State, and local codes.

New Procedure Requirements - All persons who participate in Multifamily foreclosure sales must be registered in HUD's Active Partners Performance System (APPS) which allows the electronic submission of Previous Participation Certification Form HUD-2530. All potential bidders registering for the first time in APPS should do so at least two weeks prior to the sale. If you or your company are NOT registered in APPS click on the link https://hudapps.hud.gov/apps/part_reg/apps040.cfm Following registration you will receive a Coordinator/User ID. This Coordinator/User ID will be necessary to submit the Previous Participation Certification Form HUD-2530 electronically. For questions about APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588.

PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.

This is an "All Cash – As Is" sale. HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

Submission of Bids: Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

Suspended or Debarred Parties: No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.905.)

INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at www.hud.gov/offices/hsg/mfh/pd/multifam.cfm. You may also sign up for our electronic mailing list at this web address. If you do not have access to the internet or can not download a PDF file, you may obtain a bid kit by calling (570) 387-8942, or faxing (570) 387-3303, or by email to hud@mailroometc.com.

BIDS for Mercedes Palms Apts.

MUST BE PRESENTED ON:

June 22, 2006

at: 11:00 AM local time at:

Hidalgo County Court House

Front Door Steps

100 N. Closner

Edinburgh, TX 78539

HUD OFFICE:

Texas State Office

Multifamily PD Center

801 Cherry Street

Fort Worth, TX 76113-2905

REALTY SPECIALIST:

Becky Al-Rubaie

Phone : (817) 978-5815

becky_s._al-rubaie@hud.gov